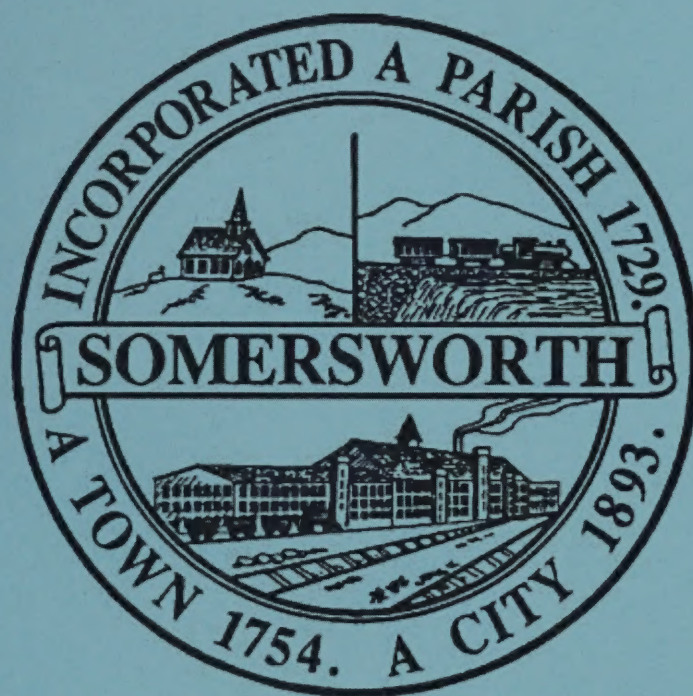


NHamp
F
44
- 5696
2012

SOMERSWORTH

New Hampshire



Annual Report

2012

TABLE OF CONTENTS

Assessing Department	9
City Manager.....	10-11
City Officials	4-5
Economic Development and Planning	12-15
Economic Development Update	16-18
Finance Department	36-54
Fire Department	19-21
Human Services	22-23
Ordinances	6
Police Department	24-27
Public Library	28-29
Public Works Department	30-31
Recreation Department.....	32-34
Resolutions	7-8
SAU 56 Superintendent of Schools.....	35
Strafford Regional Planning Commission.....	55-56
Table of Contents.....	3

CITY OFFICIALS

MAYOR

Matthew L. Spencer
Term Exp. Jan. 2014

CITY MANAGER

Robert M. Belmore

CITY COUNCIL

Terms Exp. Jan. 2014

Ward 1

Martin Pepin

Ward 2

Jennifer Soldati

Ward 3

Marcel Hebert

Ward 4

Jonathan McCallion

Ward 5

Matt Durkee (Resigned)
Coty Donohue (Replaced)

At Large

Terms Exp. Jan. 2014
Brian Tapscott
David Witham
Robin Jarvis
Dale Sprague

ASSESSOR

Mary Beth Walker
(Contract)

CITY ATTORNEY

Mitchell & Bates, PA

CITY CLERK

Diane M. DuBois

CITY ENGINEER

Joseph Ducharme
(Contract)

CITY PLANNER

David Sharples

CODE ENFORCEMENT OFFICER

Tim Metivier

DIRECTOR OF PLANNING AND COMMUNITY DEVELOPMENT

Dave Sharples

DIRECTOR OF FINANCE AND ADMINISTRATION

Scott Smith

ECONOMIC DEVELOPMENT MANAGER

Christine Davis

FIRE CHIEF

Don Bliss (Interim)
Keith Hoyle (Replaced)

LIBRARIAN

Debora Longo

POLICE CHIEF

Dean Crombie

PUBLIC WORKS DIR.

Tom Willis

TAX COLLECTOR

Margaret Wagner

WELFARE OFFICER

Lauren Berman

SCHOOL BOARD

Terms Exp. Jan. 2014

Ward 1

Jessica Paradis

Ward 2

Dana Rivers

Ward 3

Stephanie Riotto

Ward 4

Robert Gibson

Ward 5

Kenneth Bolduc

At Large

Terms Exp. Jan. 2014
James Cowan
Jerry Perkins
Donald Austin
Matthew Hanlon

ELECTION OFFICIALS

Terms Exp. Jan. 2014

WARD 1

Moderator

George Poulin

Ward Clerk

Douglas Watson

Selectmen

Marjorie Goldberg
Elroy Hume
Robert Goldberg

Supervisor of Checklist

Pam Sawyer
Term Exp. May 2016

WARD 2

Moderator

Nancie Cameron

Ward Clerk

Jeanette Gagne (Resigned)
Robert Fullerton (Replaced)

Selectmen

David Roberge
Mike Swiezynski

Supervisor of Checklist

Jeanette Gagne
Term Exp. Dec. 2016

WARD 3

Moderator

Martin Dumont

Ward Clerk

Anne DeSerres

Selectmen

Sylvia Johns
Jeanne Ambrose
Vacant

Supervisor of Checklist

Carlene Dumont
Term Exp. Sep. 2015

WARD 4

Moderator

Sean McCallion

Ward Clerk

Vacant

Selectmen

Pauline LaBonte
Vacant

Supervisor of Checklist

Vacant

WARD 5

Moderator

Joanne Demers

Ward Clerk

Mary Brown

Selectmen

Marie Messier

Roland Patnode, Jr.

Supervisor of Checklist

Raymond LaPointe

Term Exp. Sept. 2013

2012 ORDINANCES

1. Ordinance No. 9-12 Amend Chapter 4, Personnel Rules and Regulations, Appendix 1, Assignment of Class to Grade. 02/21/2012.
2. Ordinance No. 10-12 Add New Chapter 21A, Display of Permissible Fireworks. 05/07/2012.
3. Ordinance No. 11-12 FY 2012-2013 Budget (As Amended). 06/04/2012.
4. Ordinance No. 12-12 Transfer Between Departments. 06/18/2012.
5. Ordinance No. 13-12 Amend Chapter 4, Personnel Rules and Regulations, by Amending Section 11.3 Titled "Health Insurance" and Section 11.4.3 Titled "Standby". 06/18/2012.
6. Ordinance No. 14-12 Amending Chapter 4, Personnel Rules and Regulations, Compensation Schedule. 06/18/2012.
7. Ordinance No. 15-12 Amend Chapter 21, Fire Prevention and Life Safety. 06/18/2012.
8. Ordinance No. 16-12 Repeal of Chapters 16A Fire Prevention Code and Chapter 16B Kerosene Heaters upon Passage of Amended Chapter 21, Fire Prevention and Life Safety Codes. 06/18/2012.
9. Ordinance No. 1-13 Amend Chapter 13, Police Offenses, Section D, No Parking Anytime. 09/04/2012.
10. Ordinance 2-13 Amending Chapter 19, Zoning Ordinance, Table 5.A.1 Dimensional and Density Regulations (Temporary Handicap Ramps and Similar Structures). (As Amended) 09/17/2012.
11. Ordinance No. 3-13 Supplemental Appropriation of Accrued Investment Earnings from the New Elementary School Construction Bond. (As Amended) 09/17/2012.
12. Ordinance No. 4-13 Supplemental Appropriation of Accrued Investment Earnings from the New Elementary School Construction Bond. 10/15/2012.
13. Ordinance No. 5-13 Amend Chapter 13, Police Offenses, Section 3.2.A. Stop. 10/15/2012.
14. Ordinance No. 6-13 Amend the City of Somersworth Official Zoning Map – Rezone Land on All or a Portion of Twenty-two (22) Properties from Recreational (REC) to Residential Single Family (R1). 11/13/2012.
15. Ordinance No. 7-13 City Council Meeting Schedule for 2013. 12/10/2012.

2012 RESOLUTIONS

1. Resolution No. 18-12 Accept Hawthorne Circle. 01/03/2012.
2. Resolution No. 17-12 Authorizing a Public-Private Collaboration between the City of Somersworth and the Friends of Somersworth to Pursue the Preservation of the Hilltop School as a Community Resource. 02/06/2012.
3. Resolution No. 19-12 To Authorize the City Manager to Coordinate with Yankee Thermal Imaging of Dover, NH to Conduct Energy Audits on City of Somersworth Buildings and Facilities, at no Cost to the City. (As amended) 02/21/2012.
4. Resolution No. 20-12 To Authorize the City Manager to Order One Police Cruiser which will be Funded in the Fiscal Year 2012-2013 Budget. 03/05/2012.
5. Resolution No. 21-12 Authorizing the City Manager to Utilize the Funds Available in the Fiscal Year 2012 Road Resurfacing Appropriation as a Portion of the City's Share of the Somersworth-Berwick Bridge Reconstruction Project. 03/05/2012.
6. Resolution No. 22-12 To Authorize the City Manager to Contract with a Qualified Vendor to Complete Signal Improvements at the High Street and West High Street Intersection. 04/02/2012.
7. Resolution No. 23-12 Authorizing the City Council to Create a Non-Capital Reserve Fund to be known as the Building Maintenance Fund for the Purpose of Unanticipated and/or Unplanned Maintenance for City and School Facilities. 04/16/2012.
8. Resolution No. 24-12 Authorizing the City Manager to Sell Surplus City Property. 05/07/2012.
9. Resolution No. 26-12 Authorizing the City Manager to Submit a Community Planning Grant Application to New Hampshire Housing to Implement a Portion of Goal 1/12 of the City's Master Plan. 05/21/2012.
10. Resolution No. 25-12 Authorizing the City Manager to Sign the Federal Bridge Aid Program – Interstate/Local Project Agreement for the Somersworth/Berwick Bridge Rehabilitation Project. 06/04/2012.
11. Resolution No. 27-12 Authorizing the City Manager to Execute an Agreement with Roland Turgeon of Somersworth, NH for the Installation of a Sewer Main Line along a Portion of Green Street. (As Amended) 06/18/2012.
12. Resolution No. 1-13 To Authorize the City Manager to Contract with Wright/Pierce Engineers of Portsmouth, NH to Conduct an Evaluation of the Water Distribution System. 07/16/2012.
13. Resolution No. 2-13 To Authorize the City Manager to Execute an Agreement with the Town of Berwick, Maine for the Sale of Municipal Water. 07/16/2012.
14. Resolution No. 5-13 Providing City Water to Properties in the Town of Rollinsford, NH. 07/16/2012.
15. Resolution No. 3-13 To Authorize the City Manager to Purchase a Trailer Mounted Trash Pump for the Wastewater Treatment Facilities. 08/13/2012.
16. Resolution No. 4-13 Accept Gator Rock Road. 08/13/2012.

17. Resolution No. 6-13 To Authorize the City Manager to Purchase a Trailer Mounted Hydraulic Sewer Jet from H.P. Fairfield, LLC of Pembroke, NH. 08/13/2012.
18. Resolution No. 9-13 Authorizing the City Manager to Accept an Amended Hazard Mitigation Grant in the Amount of \$48,562 (Forty Eight Thousand Five Hundred Sixty Two Dollars) to Upgrade the Rocky Hill Road Culvert. 08/13/2012.
19. Resolution No. 7-13 To Authorize the Use of Bond Proceeds for Window Replacement and Asbestos Removal in Somersworth School Facilities. 09/04/2012.
20. Resolution No. 8-13 Bond for the Completion of a Downtown Improvement Project and Replacement of HVAC Units in Somersworth Schools. (As Amended) 09/17/2012.
21. Resolution No. 10-13 To Notify the City Tax Collector that the City Council shall not Accept a Tax Deed on Certain Manufactured Housing Units Subject to an Unredeemed Tax Lien. 10/01/2012.
22. Resolution No. 11-13 To Notify the City Tax Collector that the City Council shall not Accept a Tax Deed on Certain Property Located at 1 Winter Street Subject to an Unredeemed Tax Lien. 10/01/2012.
23. Resolution No. 13-13 To Authorize the City Manager to Contract with Hoyle, Tanner and Associates, Inc. of Portsmouth, NH to Provide Professional Engineering Services Associated with the Downtown Improvement Project. 10/01/2012.
24. Resolution No. 12-13 To Establish a Capital Reserve Fund for the Purpose of Reconstruction or Rehabilitation of the Hilltop School Property. 10/15/2012.
25. Resolution No. 14-13 To Accept a Portion of Willand Drive. 10/15/2012.
26. Resolution No. 15-13 Authorize the City Manager to Execute a Gas Line Easement over City Properties with Great Baxter Mills, L.L.C. of Somersworth, NH. 10/15/2012.
27. Resolution No. 16-13 Authorize the City Manager to Sign a Five-year Lease Agreement with Cellco Partnership D/B/A Verizon Wireless of Basking Ridge, New Jersey. 11/13/2012.
28. Resolution No. 20-13 Authorize the City Manager to Enter into a Contract with Resource Management Inc. of Holderness, NH for Water Treatment Facility Lagoon Cleaning. 11/13/2012.
29. Resolution No. 21-13 Authorizing the City Manager to Enter into a Grant Agreement with the New Hampshire Department of Safety to Provide Radio Pagers for the Fire Department. 11/13/2012.
30. Resolution No. 17-13 To Establish an Additional Fee on Motor Vehicle Registrations for the Purpose of Supporting a Municipal and Transportation Improvement Fund. 12/10/2012.
31. Resolution No. 18-13 Bond for the Completion of a Downtown Improvement Project, Somersworth-Berwick Bridge Rehabilitation, and Replacement of HVAC Units in Somersworth Schools. 12/10/2012.
32. Resolution No. 19-13 To Establish a Capital Reserve Fund for the Purpose of a Municipal Transportation Improvement Fund. 12/10/2012.

ASSESSING DEPARTMENT

City Assessor functions and responsibilities are provided by Marybeth Walker, through Corcoran Consulting Associates, Inc. The company provides data collectors and appraisers certified by the NH State Department of Revenue to perform the various functions required of them over the course of the year.

The Assessing Office provides the following functions:

1. Adequately manage and maintain exemptions and credits, current use management, timber and gravel yield taxes and other statutory assessing obligations;
2. Perform field inspections to collect data for all new construction and properties with active building permits;
3. Perform field inspections on all properties which have transferred during the contract period and verify the circumstances surrounding all sales;
4. Perform field inspections and other studies to review all abatement requests;
5. Meet with taxpayers wishing to discuss their valuations;
6. Meet with the City Administration and/or Board of Assessors.

This year the Assessing Department continued with the second year of the 5-year Cycled Inspection program. Each year of this process the City will be inspecting approximately 20% of all properties to verify the existing tax assessment data and make corrections if needed.

CITY MANAGER

City Government

The City of Somersworth has functioned as a City Council/City Manager form of government since 1985. The City Manager is appointed solely on the basis of their executive and administrative qualifications by the 9-member elected City Council to function as the Chief Administrative Officer of the City, responsible for the proper administration of all departments of the City placed under the Manager's charge. There are four At-Large City Councilors and five Ward Councilors; in addition, there is an elected Mayor who is the presiding officer at meetings of the City Council and serves as an ex-officio member of the City Council. The Mayor is recognized as head of the City Government for all ceremonial purposes, but has no administrative duties.

Under the Council/Manager form of government, the Council establishes policies for operations within the City, and it is the Manager's responsibility to ensure these policies are carried out. In general, the City Manager supervises all City property and is responsible for the day-to-day business affairs of the City and oversees expenditure of all funds appropriated for City purposes. The City Manager is responsible for fostering sound financial management practices, facilitating strategic planning for future growth and development as well as operational efficiency, and for maintaining the City's overall commitment to providing high quality services to the Community. The City Manager keeps the City Council informed of the ongoing condition of the City, and provides reports and recommendations as requested by the Council. The City Manager also serves as the personnel director of the City. In addition, the Manager is an ex-officio, voting member of the City's Planning Board and is a member of the City's Emergency Management team.

City Department Heads reporting directly to the City Manager include the Director of Finance & Administration, Director of Public Works & Utilities, Director of Planning and Community Development, Fire Chief and Police Chief. The Manager is also charged with the appointment of the City Clerk, Chief Assessor, Tax Collector, City Engineer and such other officers as are necessary to administer the safe, effective and efficient operation of all City departments.

The Executive Assistant to the City Manager performs administrative duties to assist the City Manager, and upon approval, may provide assistance to the Mayor and City Council members. In addition to duties typical of an executive assistant, this position plays a vital role in assisting the City in its mission to communicate with residents keeping them informed of City services and information. This includes maintaining the City Website, the local bulletin board on the cable government channel 22, and preparation of a semi-annual City-wide newsletter, and a monthly e*newsletter.

Annual Budget & Capital Improvement Program

In accordance with Article VII of the City Charter, the City Manager submits to the Council on or before the 15th day of March a budget for the ensuing fiscal year. Additionally, the City Manager prepares and submits to the Council a six year capital program at least three months prior to the final date of submission of the budget. The Capital Improvement Program continues to evolve to show infrastructure projects and programs necessary for continued quality City services in a sustainable strategy over a rolling 6-year time frame. The purpose of the CIP is to assist the City Council in preparing well in advance for capital expenditures to meet the future needs of the Community.

Read on to learn more about our City Departments. Also, please accept my invitation to stop by for a chat and to share your thoughts on how we might work together in maintaining the City's overall commitment to providing high quality services to the Somersworth community. My door is always open.

I encourage you to visit our website www.somersworth.com and while there please consider signing up to receive our City's E-News and/or "the Somersworth Advantage" business E-News.

Regards, Bob

Contact Information:

Robert M. Belmore, City Manager; email: bbelmore@somersworth.com

Brenda Ann Breda, Executive Assistant; email: executiveassistant@somersworth.com

Telephone: 603-692-9503.

ECONOMIC DEVELOPMENT AND PLANNING

Staff Information:

Director of Planning and Community Development, Dave Sharples, 692-9517, dsharples@somersworth.com

Planning Secretary, Tracy Gora, 692-9519, tgora@somersworth.com



Overview

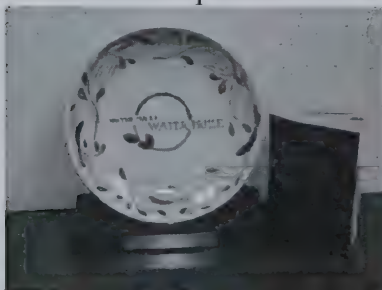
The Division of Economic Development and Planning provides research and advisory/administrative support for an array of comprehensive and land use planning functions within the City of Somersworth. The department provides staff support to a number of City Council appointed boards and commissions including the Planning Board, Zoning Board of Adjustment, Historic District Commission, and the Conservation Commission. The office is administered in a manner designed to fulfill the objectives of the Master Plan, provide applicants with efficient application processing services and provide citizens appropriate opportunities to participate in land use decisions.

Principle Activities

- Development and maintenance of the City's Master Plan.
- Review private development projects for consistency and conformity with the Master Plan and the community's vision.
- Form planning policies and standards that will ensure a high quality living and working environment for Somersworth neighborhoods and districts.
- Provide assistance to citizens in understanding and applying the policies of the Master Plan and the provisions of the City's land use regulations.
- Anticipate and act on the need for new plans, policies, and regulation changes.
- Review and research all applications and proposals submitted for approval from Land Use Boards.

Some highlights from the Division of Economic Development and Planning in 2012

- City staff applied for and was awarded a grant in the amount of \$25,200 from the NH Division of Historical Resources. This grant will be used to complete the fifth and final phase of an update to the historical survey forms that the City has on all properties located in the Hilltop Historic District. The City also received this grant in 2006, 2009, 2010 and 2011 to complete Phases I, II, III and IV of the update.



- The City is a key member of the Salmon Falls Watershed Collaborative that received the National U.S. Water Prize award for 2012.

- Dave Sharples was honored by the NHDES by receiving the 2012 Source Water Protection award.



Planning Board

The Planning Board meets the third Wednesday of each month and consists of 9 members. The Planning Board is responsible for reviewing: site plan applications, subdivision applications, conditional use permit applications, extension and amendment requests, conceptual/design review requests, ordinance amendment proposals and for conducting site visits. The Planning Board also has workshop meetings as needed to discuss ordinance amendment proposals, rules of procedure, application requirements, and other items as necessary.

The Planning Board reviewed the following:

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Conditional Use Permit applications	6	4	0	1	2
Major Site Plan applications	10	9	4	6	4
Subdivision applications	10	5	2	1	3
Site Walks conducted	2	0	1	1	3
Conceptual/Design reviews	2	2	2	1	0
Plan amendment requests	3	1	4	2	0
Plan extension requests	1	2	1	0	1

The Board also reviewed one voluntary merger request, reviewed the 2014-2019 Capital Improvement Plan (CIP) and reviewed and discussed some of the goals in the 2010 City of Somersworth Master Plan Update. The Board finalized a proposed amendment to Table 5.A.1 of the Zoning Ordinance regarding the temporary placement of handicap ramps and similar structures within property setbacks. The Board voted to send this proposal to the City Council for consideration where they voted to approve the amendment. The Board reviewed and discussed a proposal for the City to adopt RSA 79-E. This is a tax-incentive for the rehabilitation and active use of under-utilized buildings which will be reviewed by the City Council in 2013. The Board also began reviewing a proposal from COAST Bus to allow advertising on their bus shelters.

Two key items to highlight for the Planning Board are the changes made to the Recreational Zoning District and the creation of new Low Impact Development (LID) Stormwater Regulations. The change to the Recreational Zoning District included rezoning privately-owned, and some publically-owned land to Residential Single Family.

A direct result of implementing goals from the City's Master Plan, the Planning Board adopted new LID regulations as part of the Site Plan Review Regulations. These new regulations, intended to protect surface and ground water, were the result of much review, workshops and a public hearing from the Planning Board.

2012 Planning Board members:

William Sweeney, Chairman	Paul Robidas
Anthony Delyani, Vice Chair	Dan Proulx
David Witham, City Council Rep.	Ernest Gallant
Brian Tapscott, Alt. City Council Rep.	Erwin Grant
Robert M. Belmore, City Manager	Paul Maskwa, Alternate
Ron LeHoullier	Chris Cortez

Historic District Commission

The Historic District Commission (HDC) meets the fourth Wednesday of each month and is responsible for reviewing projects that fall under the Historic Overlay District. The HDC has the following powers and duties: maintain a survey and inventory of all historic properties in the City, establish and adopt guidelines and standards to be used by the Commission in reviewing and passing on applications for a Certificate of Appropriateness, review applications for a Certificate of Appropriateness as required by the Zoning Ordinance, among other duties.

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Applications reviewed by the HDC	39	19	33	19	25

2012 Historic District Commission members:

George Poulin, Chairman	Dan Vincent
Dave Witham, City Council Rep.	Arthur Hendrickson
Albert Marotta	Michele Sheldon, Alternate
Daniel Bisson	Julie Rowe, Alternate
Beth Poulin	Sherie Dinger, Alternate

Conservation Commission

The Conservation Commission meets the second Wednesday of each month and is responsible for reviewing conditional use permit applications, State Wetland Permit applications, easements, conservation land and conducting site walks.

During workshop sessions, the Commission continued discussing the reuse of the City-owned Mast Point Dam property on Salmon Falls Road. The Commission developed a plan that would make improvements to, and provide limited recreational use of the 15-acre Mast Point Dam Conservation Land.

2012 Conservation Commission members:

Frank Richardson, Chair	Dale Smith-Kenyon
Imants Millers, Vice Chair	Elizabeth Wilson
Scott Gessis, Secretary	Alan Bryant

Zoning Board of Adjustment

The Zoning Board of Adjustment (ZBA) meets the first Wednesday of each month and is responsible for reviewing: variance applications, special exception

applications, equitable waivers of dimensional requirements and appeals of an administrative decision.

The ZBA reviewed the following:

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Variance applications	16	15	22	9	18
Special Exception applications	2	2	3	1	1
Equitable Waiver applications	1	1	1	1	0
Appeals from an Administrative Decision	3	1	0	0	1

2012 Zoning Board of Adjustment members:

Steven Stout, Chair	Roland Dumont
Bo Beaudet	Frank Menez
Harry Irwin	

Site Review Technical Committee

The Site Review Technical Committee meets the first Thursday of each month and reviews site plan and subdivision applications before they are sent to the Planning Board.

Site Review Technical Committee members:

David Sharples, City Planner, Chairman
Police Department Representative
Fire Department Representative
Public Works Department Representative
Tim Metivier, Building Inspector
Imants Millers, Conservation Commission Representative
Steve Smith, Water Department
Erwin Grant, Planning Board Representative

Strafford Regional Planning Commission Representatives

Roger Berube
Brian Tapscott
Dale Sprague
William Connor

Community Development

The following is a list of development that was approved within the City in the last year:

- **Sumner Properties, LLC**, 417 Route 108, expansion of restaurant for a deck with roof system.
- **DCM Realty, LLC**, 362C Route 108, development of a contractor's office/storage yard.
- **IDM Industries**, 15 Interstate Drive, addition to existing building.
- **Francoeur Realty Trust**, 506 High Street, approval to remove existing structure and construct a new commercial office building.

ECONOMIC DEVELOPMENT UPDATES

The City continues to see incremental economic growth during the slow recovery that has halted growth in many parts of the nation and in some parts of the State. Although we did not see any major projects in 2012, the City continues to see positive activity and growth. The following is a summary of development and other economic development efforts of the City:

New and expanding business:

- Continental Contitech has expanded operations into the former Trelleborg facility. They have grown to 298 employees and are looking for more.
- The City welcomed the Teatotaller and DAT's Pizzeria to Main Street and a new family-owned restaurant will soon be opening in the former train station. Two other serious inquiries for restaurants in the downtown are being considered. The Yellow Zebra opened and expanded within the same building on High Street.
- After many years Dumont's Hardware has closed and has been sold to a developer who will be investing in the building and is currently looking for commercial and residential tenants.
- A 20,000 square foot expansion to Label Tech on Interstate Drive was approved by the Planning Board in 2011 and construction is taking place now.
- Integrated Design & Manufacturing on Interstate Drive has also been approved for an expansion.
- A number of new businesses have located along the City's commercial corridor including: Tri-City Martial Arts, Somersworth Stove Shop, Rymes Heating Oils, Brownco Equipment Leasing Co., Pro-Ex Physical Therapy, and Quest Geothermal.
- EigenLight, located in Malley Farm, has grown into additional space and is currently adding an additional "clean room". They are also hiring for professional positions.

Other Notables:

- General Electric continues to benefit from the adoption of Smart Meters and is hiring.
- MSC is continuing the rehabilitation work at the old police station on Main Street. They have completely gutted the building at this point and are looking for funding to begin infrastructure upgrades.
- Both the Frugal Scrapper and The Cozy Nest have decided to retire their businesses after approximately 7 years in business for both establishments. We look forward to seeing what other creative businesses will take their place.
- The City hired Christine Davis to fill the newly created position of Economic Development Manager for the City. This position was created to put a focused

effort on economic development and enhance the City's "business friendly" image.

Municipal Efforts:

- The City continued its commitment to implementing the goals and action items listed in the City's recently updated Master Plan such as supporting a Buy Local campaign through membership in Seacoast Local and participation in their events.
- **The City expanded the ER Zone 2 to include underutilized commercial and industrial land on Willand Drive and Route 108. Zone 1, which originally encompassed the downtown area, has also been expanded to include the business district along Main Street up to and including the Malley Farm Industrial Park.**
- The City continued participation in the Comprehensive Economic Development Strategy (CEDS) through the Strafford Regional Planning Commission. The CEDS is a regional economic development planning effort that was submitted to the Economic Development Authority (EDA). Now approved by the EDA, the City will be able to access certain funding and grant opportunities to implement the plan. The CEDS committee will be responsible for the required annual updates.
- The City continued the joint advertising effort with Rochester, Dover, Pease Development Authority, and Portsmouth in the Business New Hampshire Magazine.
- City staff continues to participate in informal meetings with Rochester, Dover, Pease and Portsmouth to discuss regional economic development efforts.
- City staff is currently drafting a Community Profile of the City that will include the City's history, natural resource base, demographics, business profile, recreation opportunities, and other quality of life components. This profile will be used to market the City and all it has to offer.
- **The City is in the process of creating a new website which will contain a prominent section for Economic Development. The ED section of the website will provide information about the business opportunities in the City as well as the resources available to start or grow a business in Somersworth.**
- The City is in the early stages of proposing the adoption of RSA 79E which would offer potential tax relief for businesses that invest in their facilities located within a defined district. RSA 79E has proven to help numerous NH downtown districts stimulate revitalization and investment in underutilized buildings or whole districts.
- A capital reserve fund was established for the Hilltop School renovation efforts. The Friends of Somersworth (FOS) have formed a 501 (c) (3) with the intent of renovating the school to become a "center for arts, sciences and culture by renting space to artists and community organizations whose purpose promotes the FOS mission and by providing space for education in the arts, sciences and culture".

Infrastructure Improvements – Your City Dollars at Work:

The City has made or is planning several infrastructure improvements to foster economic development and maintain and improve the quality of life of our residents, property owners, visitors, and business owners alike.

- The City Council recently approved a bond to make infrastructure improvements in the downtown beginning with the Somersworth/Berwick Bridge and continuing up to the intersection of High and Washington Streets to continue to enhance the City's infrastructure.
- The bond will enhance the funds already secured through State and Federal funding sources to include the rehabilitation of the Bridge.
- A Transportation Enhancement Grant has been awarded for streetscape improvements in the downtown.
- Noble Pines Park now boasts a 24' by 28' pavilion along with a 40' circular concrete "splash pad" – an aquatic play area that will feature a variety of different water-spraying fountains. A grant was submitted through the Division of Parks and Recreation for funding which totaled just more than \$78,000. This amount was to be split 50/50 by the City and the State.

FIRE DEPARTMENT



195 Maple St., Somersworth NH 03878

Business: (603) 692-3457

Fax: (603) 692-5147

Business Hours: 8-4 M-F

EMERGENCY RESPONSES

The Somersworth Fire Department responded to 1224 emergency incidents in FY12 – an additional 115 incidents over FY11, which represents a 10.4% increase in responses.

Over \$155,000 in damages occurred in structure fires on Indigo Hill Rd., the Lucky Supermarket, Sunningdale Golf Club and High Street. However, this represents a 65% reduction in fire losses over FY11. A river rescue on the Salmon Falls also was made.

FIRE PREVENTION & EDUCATION

The Department issued 541 Permits in FY12, compared to 236 in FY11.

The City Council approved the new Somersworth Fire Prevention Code, which aligns us with the State Fire Code.

The Council approved the new Fireworks Regulations, bringing us in line with state regulations and other New Hampshire municipalities as well.

Firefighters conducted public fire safety education sessions in the public schools; with the Indonesian community; fire station tours during Annual Fire Prevention Week activities; Home Depot and Walmart Safety Day participation; the Pumpkin Festival; the Seniors picnic; and conducted various fire extinguisher training and fire drills at some industrial complexes in the city.

In December, the Department, aided by many Somersworth citizens and businesses, contributed toys to 587 children through the Firefighters Toy Bank.

TRAINING

Monthly training curriculum for career and call firefighters was conducted by F/F Wilder.

Approximately half the Department is participating in a state Homeland Security grant sponsored by the State Fire Academy for advanced firefighter training.

The Department participated in regional preparedness efforts like the Strafford County Public Health Network mass immunization project; the Pease AFB and Newington plane crash and mass casualty simulation; and the North Berwick Truck project.

We assisted with the High School vehicle accident simulation witnessed by the entire school just prior to the Senior Prom.

GRANTS

A federal Homeland Security grant was secured from the State Fire Academy to provide advanced instruction in Fire Officer Development, Hazardous Materials training, Collapse Rescue, Swift Water Rescue and Technical Rescue.

We received a state Emergency management grant to upgrade the city's Emergency Plan.

We applied for a federal Emergency Management grant to secure emergency generators for several city buildings.

PERSONNEL

Don Bliss served as Interim Fire Chief during a Fire Chief Recruitment process which ultimately led to the appointment of Keith Hoyle from Easthampton Massachusetts.

Firefighter Sean Houle was promoted to Fire Lieutenant, filling the vacancy created by the retirement of Lieutenant John Viola.

Firefighters John Dann and Matthew Wilder were hired to fill vacancies created in the career force in FY11.

The Call Firefighter force has fallen to four (4) members and there will be a concerted effort to increase the rolls in FY13.

OTHER

We are preparing for a visit from the Insurance Services Office – the nationwide agency that sets fire insurance rates nationwide. The organization studies the municipal water system: the emergency dispatch center (911); and the Fire Department. Each is scored and the total sum determines the insurance rates for the next ten to fifteen years.

Department members renovated the old Emergency Operations Center room at the fire station into a Training Room. Firefighters also performed routine station maintenance duties and minor vehicle repairs that saved the taxpayers money throughout the year.

EMERGENCY MANAGEMENT

Hurricane Irene rolled through Somersworth in August, causing significant damage from flooding.

On October 30, the Halloween snowstorm struck, leaving 43% of Somersworth residents without power for several days. Federal disaster funds were applied for through FEMA.

We thank Chief Bliss who skillfully and professionally led the Department during the year; spearheaded the effort to upgrade Somersworth's Fire Prevention Code and Fireworks regulations; and through the transition from Chief Butts to Chief Hoyle.

EMERGENCY RESPONSES

Structure Fires	32
Outside Fires	66
Automobile Fires	4
Accidental Calls	133
False Alarms/Malfunctions	215
Public Assistance Calls	185
Hazardous Materials Incidents	2
Hazardous Conditions	192
Emergency Medical Calls	395

FIRE PREVENTION

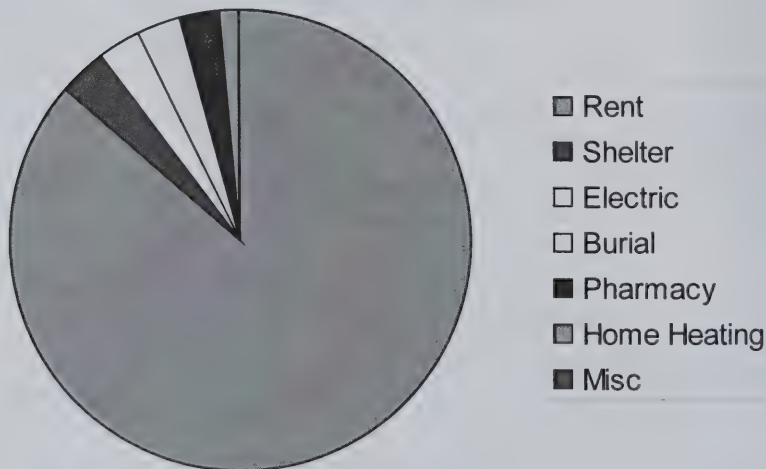
Brush Permits	250
Fireworks Permits	28
Place of Assembly Inspections	10
Inspections	85
Fire Drills	54
Oil Burner Permits	10

HUMAN SERVICES DEPARTMENT

The Somersworth Human Services Department continues to carry out the legal tasks and responsibilities of RSA 165 – general assistance. City assistance continues to be the “safety net” for residents facing eviction, foreclosure, homelessness, hunger, utility shut-offs, and inability to obtain prescription medications.

There were 133 new cases opened in calendar year 2012, compared to 153 new cases in 2011 and compared to 159 in 2010. A total of 167 households (450 individuals) received direct City assistance, totaling \$95,988.41. This department also manages a grant of \$5000.00 of “McKinney Funds” and assisted 12 households with rent and utilities, who would have otherwise been ineligible for city assistance. In addition managed the *Salvation Army* fund and assisted 11 families with food, utilities and work clothing.

2012 Human Services



Rent is the highest request for assistance to prevent eviction and homelessness, followed by homeless shelters, electric, burials, medications and other assistance, i.e. home heating, etc.

Making referrals to other agencies is a vital role of the Human Services Department, as it reduces the burden on City assistance and aids individuals in becoming self-sufficient. A total of 102 referrals were made in 2012 (please note that one household may have more than one referral). There are many organizations and agencies that we refer to, but we are especially grateful to all the help provided by Strafford County Community Action, The Community Food Pantry, and The Somersworth Housing Authority, The Homeless Shelter for Strafford County, My Friend's Place, Crossroads Homeless Shelter, Goodwin Community Health Center, and the Department of Health & Human Services.

In addition the Human Services Department also seeks reimbursement for assistance when able to do so. These reimbursements are made by residents themselves, or from agencies such as Social Security and the Department of Health and Human Services. A total of \$2151.76 was reimbursed to the City in 2012 for general assistance funds.

If anyone is interested in making a donation, this office can always use diapers, wipes, personal and household products, or gift certificates for car gasoline. Lastly, thank you to the taxpayers of Somersworth for your contribution towards maintaining the safety net for those who are in need in our community.

Respectfully submitted,

Lauren Berman
Human Services Officer



POLICE DEPARTMENT

*12 Lilac Lane
Somersworth, NH 03878
(603) 692-3131*

The Somersworth Police Department answered or initiated 26,273 calls for service during the calendar year of 2012, an additional 2,305 calls over 2011 and representing an increase of 9.6%.

The reporting of an embezzlement of \$100,000 at the Housing Authority in December 2011 turned into a \$1,000,000 theft that turned out to be the largest and most comprehensive investigation ever completed by the Department for a crime of theft. This investigation consumed 6 months and many man hours by our Investigations Division and they are to be commended for a job well done.

The Department was able to provide a variety of special and specific law enforcement efforts including an assortment of enforcement initiatives. The New Hampshire Highway Safety Agency allowed us to increase motor vehicle enforcement by providing grant funds. The added enforcement included DWI, speeding and other motor vehicle related violations.

We continue our association with the Dover Police Department in our joint enforcement of alcohol related violations. This includes underage consumption, sales and other alcohol related violations. The program is designed to provide enforcement of the alcohol laws as well as education to the community. During 2012, a joint law enforcement effort was used, allowing members of the Dover, Somersworth Police Departments and the State Liquor Inspectors to work together in teams. This past year saw a broadening of the scope of our joint efforts. The compliance checks were expanded to include restaurants and pubs.

We received 27 portable radios that were made available through Homeland Security/FEMA and the New Hampshire Department of Safety, all obtained through a grant.

We assisted and participated in a Federal funded Felony Locator program. This allowed Somersworth Police members to team with local officers and federal agents while pursuing wanted felons in the seacoast and extended area.

Sergeant Matt Duval and Officer Denis Messier IV continue to be assigned to our Strafford County Accident Team. This past year saw a comprehensive accident course taught at the Somersworth Police Department. This education was well attended by Officers in the immediate area and extended law enforcement community.

Our Dispatch Center was equipped with a stand-alone computer system that is networked into Concord's Emergency Services 9-1-1. Before a call is even routed to us from Concord 9-1-1, this system displays the call in progress. It tells us what type of call it is (medical, fire or police), tells us the parties involved and what address the call is at. When the call is transferred to us, it also shows us a map of where the call is originating from in Somersworth (down to the house level) with GPS mapping.

Our cruiser fleet consists of (3) Dodge Chargers and (1) Chevrolet Caprice, supported by a Housing Vehicle and a Parking Enforcement Vehicle. Throughout the summer, a Harley Davidson Motorcycle will be assigned to the Patrol Division. This motorcycle is leased through Seacoast Harley Davidson and is paid for through drug monies seized.

Captain Kretschmar, in conjunction with the Rochester Police Department, conducted our second Citizens Police Academy. The Academy met weekly for 12 weeks. Classroom presentations were taught by members of each Police Department and locations alternated between the Departments each week. Another Citizen Police Academy for 2013 is currently being explored.

Detective Eric Chandler has been assigned to the Family Justice Center located in Rochester. This center allows victims access to all services specific to family related investigations. Detective Chandler is assigned to the facility once a month.

Somersworth Crime tips are still received at 692-9111 or email at crimeline@somersworth.com. Anyone wishing to provide anonymous tips should contact SPD through either source. All leads are held with the strictest of confidence.



2012 City
Totals
Case Activity Statistics

Calls for Service	26,273
Total Offenses Committed:	3,210
Total Felonies	364
Total Crime Related Incidents:	1,407
Total Non-Crime Related Incidents:	2,822
Total Arrests (On View):	603
Total Arrests (Based on Incident/Warrants)	341
Total Summons Arrests:	204
Total Arrests:	1,148
Total P/C's:	153
Total Juvenile Arrests:	90
Total Juveniles Handled (Arrest):	69
Total Juveniles Referred (Arrest):	21
Total Open Warrants:	32
Total Restraint Orders:	109
Stolen Property-Value	\$272,510
Stolen Property Recovered Value	\$114,153
Total Motor Vehicle Accidents	422
Total Motor Vehicle Violations-Civil	5
Total Motor Vehicle Violations-Warnings	2,730
Total Motor Vehicle Violation-Arrests	1,381
Total Parking Tickets	361

Youth Safe Haven – Planting a Garden at the Somersworth Police Station



Annual Senior Picnic at the Somersworth Fire Station



PUBLIC LIBRARY

Debora Longo, Library Director
library@somersworth.com; ext. 223
Michelle Lubatti, Library Assistant
libraryassistant@somersworth.com; ext. 221

25 Main Street
Somersworth, NH 03878
(603) 692-4587
library@somersworth.com

BOARD OF TRUSTEES

Judy Goodnow, Chairperson
Trudy Grant
Arlene Labrie
Scott Champney
Donna Donovan

HOURS

Tues – Thur, 11am – 7:00pm
Friday, 9am – 5:00pm
Sat (Sept. – May) 9am – 5:00pm
Sat (June – Aug.) 9am – 1:00pm
Closed Sunday and Monday



The projects completed in 2012 include:

- New landscaping all around the building including the pocket park beside the library, a new patio off the front entrance, two new bicycle bolyards and at least six new garden beds waiting for planting in the spring of 2013. Nate Mears, of the Somersworth Highway Division, designed and led a team of workers in completing this beautiful project.
- Successful participation in the New Hampshire Reads Big Read program in October of 2012. Fifty copies of Edgar Allen Poe's collection of short stories were distributed to readers and five activities for the public to attend enhanced their reading of E.A. Poe's work.
- Maintained the Children's story hour and

summer reading programs through the work of the Library Director, the Library Assistant and volunteers who assisted in preparing craft materials for the children who participated. Each week 20 -24 children attend the 2 story hours, and in July and August 2012, over 100 children read 81,620 minutes or 1,360 hours.

- Joined the five other satellite galleries of the Rochester (NH) Museum of Fine Arts. The walls of the reference room feature paintings, drawings, digital prints and photographs from the Museum's permanent collection. Every three months, new works are hung bringing traditional and contemporary art to the city.



The Friends of the Somersworth Public Library remain an active group who provide the following services to the library:

- Purchased museum passes for the Children's Museum in Dover, The Seacoast Science Center at Odiorne State Park in Rye, Strawberry Banke in Portsmouth, and the Museum of Fine Arts in Boston.
- Purchased ten new chairs to match the new tables purchased two years ago.
- Continued fund raising through the sale of book bags and regular book sales: the spring book sale begins on the last Saturday in April, the children's book sale begins the third Saturday in June to coincide with the Somersworth International Children's Festival, and the fall book sale begins the last Saturday in October.



The staff measures various library services daily and 2012 brought several changes caused by the new, reduced hours and the new challenges all libraries face in the digital age. One remarkable statistic is the downloadable e-books and audiobooks comprised 1 ½ % of our total loan of books, audiobooks, magazines and movies. While all of the measured services are lower numbers in 2012 due to the decrease in our hours of operation, the staff of five loaned out 50,475 items (and returned them all back to the shelves), assisted 7,886 computer users on the seven library computers, prepared 1,053 purchased and 361 donated books, audiobooks and movies, and welcomed 707 new library users.

PUBLIC WORKS AND UTILITIES DEPARTMENT

Staff Information:

Director of Public Works and Utilities, Tom Willis, 692-4266

twillis@somersworth.com

General Foreman, Shawn McLean, 692-4266

smclean@somersworth.com

Executive Assistant, Jennifer Nalley, 692-4266

jnalley@somersworth.com

Forest Glade Cemetery

There were three (3) full casket burials and nine (9) cremains burials in Forest Glade throughout the year. Interments continue to be performed by a grave excavation contractor, rather than in-house as in the past. This way the scope of a project is not disrupted by cemetery events and we now have a contractor dedicated to meeting our needs in the cemetery. The new section of the Cemetery has been completed, however, we will continue selling lots in the old section before moving into the new section.

Solid Waste & Recycling

The City generated slightly less waste in 2012 when compared to 2011. The total waste picked up curbside including trash and recycling was 2,777.94 tons. This is 6.97 fewer tons than last year. One year's worth of recycling weighed in at 786.33 tons and solid waste weighed in at 1,991.61 tons. The chart to the right shows monthly totals in tons for solid waste. These totals only include solid waste picked up curbside.

Metal waste, such as air conditioners and refrigerators, picked up curbside as well as dropped off at the Public Works Facility totaled 38.19 tons. Residents also recycled 420 gallons of waste oil and 12.80 tons of electronics, such as computers and televisions.

Service Calls

Throughout the year, the Public Works and Utilities Department receives calls from residents regarding questions or concerns with the City infrastructure, facilities, and services. Items of interest include trash pickup, bulky waste disposal, brush and bagged leaves disposal, street conditions, drainage concerns, water meter upgrades, final meter readings, and much more. Any employee who takes a call can enter the information into our VUEWorks database – linking the call to the property in question or the appropriate City asset, such as a catch basin, water line, or sewer pipe. Using this program allows all staff members to stay connected and aware of the various concerns of residents. In 2012, approximately 1800 entries were logged into VUEWorks by the Public Works and Utilities Department personnel.



Highway

The winter of 2011-2012 was a relatively light year for winter maintenance with twelve snow events that required highway crews to treat the road for snow or ice. A total of 38 inches of snow fell for the winter necessitating the use of approximately 900 tons of sand and salt to maintain the city's roads. Significant projects performed by the highway crews during the year included substantial landscape and hardscape improvements around the library, the demolition of the tennis courts and preparation for the installation of the pavilion and water feature at Noble Pines Park.

Water & Wastewater

The City treated a total of 512 million gallons of wastewater last year creating an average daily flow of 1,400,000 gallons per day into the plant. Our highest daily flow, in which over 5 million gallons of water was treated each day, occurred on January 27, June 23, August 10, and August 16. The lowest flow occurred in December, in which 36,111.517 gallons of water was treated.

The water treatment plant processed 470,770,734 gallons of water for consumption in 2012, creating an average daily production of 1,286,259 gallons per day. The water plant processed the highest volume of water at 2,228,000 gallons of water on July 10, 2012.

RECREATION DEPARTMENT

Nicholas Campion, Recreation Supervisor
Ncampion@Somersworth.com
(603)-692-9508

City Hall, Second Floor
1 Government Way
Somersworth, NH 03878

Hours of Operation

Monday – Friday, 8:00 a.m. – 4:30 p.m.

Overview

The Recreation Department strives to offer a diversity of programs, activities, trips and events for all members of the community. We extend our offerings from toddlers to seniors, and do our best to encourage and include anyone with an interest to participate.

The Recreation Department also maintains, renovates and oversees all thirteen of the City's parks and recreation areas. Of note, comprehensive renovations at the Noble Pines Park began in the Spring of 2012. These renovations include the construction of a pavilion, spray park, and skateboard park. The targeted completion date is Fall 2013.

The mission for the Recreation Department is to enhance the quality of life by providing enjoyable, safe, and affordable programs for all members of the community.

2012 Program, Event, & Trip Offerings

Father Daughter Valentines Day Dance	Recreation Youth Soccer
Mommy and Me Princess Tea	Recreation Youth Basketball Programs
Senior Walking Program	Travel Youth Basketball Programs
Fall Foliage Train Trip	Cookies for Santa
Senior Cribbage Tournaments	Flashlight Candy Cane Hunt
AARP Defensive Driving Course	Hershey Track and Field
Easter Egg Hunt	Kids Camp
Boston Red Sox Trips	Trends Summer Camp



Trends Summer Camp – Community Service Day



Recreation Basketball – Saturday Morning program



Father Daughter Dance – Limbo Contest



Noble Pines Improvement Project - Pavilion

SCHOOL DEPARTMENT

It is with great honor that the Somersworth School District submits this report to the City of Somersworth. The focus this school year centers on the notion of “Believing”. Believe in who we are and what we can do. Believe in our students, staff, administrators and families. Believe as a community we continue to promote our Proud Past and Bright Future.

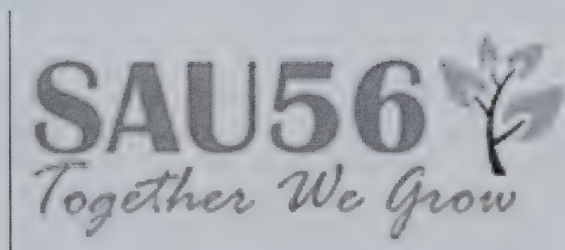
Some highlights from this school year include our strong commitment to Response to Intervention and our PBIS system. We continue to make decisions based on data and use that data to drive our instruction. As a result of our ongoing commitment to this process we have seen our drop rate decrease to less than 1% and have also seen a dramatic drop in office referrals.

Our fundraising effort this year was the UNH hockey game to assist with 68 hours of hunger and the backpack program.

We continue our strong partnership with City Hall and City Council to work in a collaborative manner for the greater good of our community. We would like to thank Mayor Spencer and City Manager Belmore for creating a positive working relationship with the School Department.

Grant Funding continues to be an avenue we pursue to assist with our educational needs such as 21st Century, IDEA, and Title 1.

It is only through the ongoing support of families, community members and businesses in the Somersworth Community that we are able to provide a quality education for our students. This entire staff of the Somersworth School District needs to be commended for their commitment to the success of all our students. On behalf of the Somersworth School District, thank you for all that you do for our students.



INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor, City Council and Manager
City of Somersworth, New Hampshire

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Somersworth, New Hampshire (the City) as of and for the year ended June 30, 2012, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Somersworth, New Hampshire, as of June 30, 2012, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 12, 2013 on our consideration of the City of Somersworth, New Hampshire's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and the schedule of funding progress for other post-employment benefits on pages i-viii and 32-35 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which

consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Somersworth, New Hampshire's financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements taken as a whole

Jackson Chikang & Company PC

February 12, 2013

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Somersworth, we offer readers this narrative overview and analysis of the financial activities of the City of Somersworth for the fiscal year ended June 30, 2012. We encourage readers to consider the information here in conjunction with additional information that we have furnished in our letter of transmittal.

A. OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the basic financial statements. The basic financial statements are comprised of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements. The government-wide financial statements are designed to provide readers with a broad overview of our finances in a manner similar to a private-sector business.

The statement of net assets presents information on all assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position is improving or deteriorating.

The statement of activities presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities include general government, public safety, highways and streets, health and welfare, culture and recreation, and education. The business-type activities include water, sewer, and solid waste activities.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Fund accounting is used to ensure and demonstrate compliance with finance-related legal requirements. All of the funds can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

An annual appropriated budget is adopted for the general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

Proprietary funds. Proprietary funds are maintained as follows:

Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. Specifically, enterprise funds are used to account for water, sewer, and solid waste operations.

Proprietary funds provide the same type of information as the business-type activities reported in the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water, sewer, and solid waste operations, all of which are considered to be major funds.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

Notes to financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information which is required to be disclosed by the *Governmental Accounting Standards Board*.

B. FINANCIAL HIGHLIGHTS

- As of the close of the current fiscal year, the total of assets exceeded liabilities by \$24,822,095 (i.e., net assets), a change of \$2,043,775 in comparison to the prior year.
- As of the close of the current fiscal year, governmental funds reported combined ending fund balances of \$5,178,954, a change of \$(2,143,153) in comparison with the prior year. This includes activity from the Idlehurst Elementary School Project which accounts for \$(2,576,563). The change in the General Fund and Non-major funds is \$433,410 in comparison with the prior year.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$3,232,783, a change of \$634,397 in comparison with the prior year. Due to City Council action, \$350,000 of the General Fund fund balance has been designated for future years' expenditures and classified as assigned.
- Total bonds payable at the close of the current fiscal year was \$36,859,586, a change of \$(3,408,315) in comparison to the prior year.

C. GOVERNMENT-WIDE FINANCIAL ANALYSIS

The following is a summary of condensed government-wide financial data for the current and prior fiscal years. All amounts are presented in thousands.

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Current and other assets	\$15,790	\$21,411	\$2,911	\$1,960	\$18,701	\$23,371
Capital assets	<u>38,456</u>	<u>37,290</u>	<u>21,340</u>	<u>22,328</u>	<u>59,796</u>	<u>59,618</u>
Total assets	54,246	58,701	24,251	24,288	78,497	82,989
Long-term liabilities outstanding	27,049	29,093	13,014	13,850	40,063	42,942
Other liabilities	<u>12,539</u>	<u>16,083</u>	<u>1,073</u>	<u>1,186</u>	<u>13,612</u>	<u>17,269</u>
Total liabilities	39,588	45,175	14,087	15,036	53,675	60,211
Net assets:						
Invested in capital assets, net	14,371	13,336	9,330	7,745	23,701	21,081
Restricted	255	343	-	-	255	343
Unrestricted	<u>32</u>	<u>(153)</u>	<u>834</u>	<u>1,507</u>	<u>866</u>	<u>1,354</u>
Total net assets	\$14,658	\$13,526	\$10,164	\$9,252	\$24,822	\$22,778

CHANGES IN NET ASSETS

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Revenues:						
Program revenues:						
Charges for services	\$ 2,292	\$ 2,419	\$ 4,992	\$ 5,152	\$ 7,284	\$ 7,571
Operating grants and contributions	11,482	11,616	-	-	11,482	11,616
Capital grants and contributions	59	171	64	95	123	266
General revenues:						
Taxes	21,063	20,685	-	-	21,063	20,685
Licenses and Permits	1,353	1,341	-	-	1,353	1,341
Intergovernmental	526	536	-	-	526	536
Interest	36	97	-	-	36	97
Miscellaneous	<u>530</u>	<u>564</u>	<u>59</u>	<u>63</u>	<u>589</u>	<u>627</u>
Total revenues	37,341	37,429	5,115	5,310	42,456	42,739
Expenses:						
General government	1,522	1,674	-	-	1,522	1,674
Public safety	5,400	5,512	-	-	5,400	5,512
Highways and streets	2,162	2,080	-	-	2,162	2,080
Health and welfare	249	253	-	-	249	253
Culture and recreation	626	676	-	-	626	676
School department	25,791	24,353	-	-	25,791	24,353
Interest	459	479	-	-	459	479
Other	-	-	-	-	-	-
Water operations	-	-	1,745	1,909	1,745	1,909
Sewer operations	-	-	2,117	2,082	2,117	2,082
Solid waste operations	<u>-</u>	<u>-</u>	<u>341</u>	<u>338</u>	<u>341</u>	<u>338</u>
Total expenses	<u>36,209</u>	<u>35,027</u>	<u>4,203</u>	<u>4,329</u>	<u>40,412</u>	<u>39,356</u>
Change in net assets before transfers	1,132	2,402	912	981	2,044	3,383
Transfers in (out)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in net assets	1,132	2,402	912	981	2,044	3,383
Net assets - beginning of year	<u>13,526</u>	<u>11,124</u>	<u>9,252</u>	<u>8,271</u>	<u>22,778</u>	<u>19,395</u>
Net assets - end of the year	<u>\$14,658</u>	<u>\$13,526</u>	<u>\$10,164</u>	<u>\$9,252</u>	<u>\$24,822</u>	<u>\$22,778</u>

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. At the close of the most recent fiscal year, total net assets were \$24,822,095, a change of \$2,043,775 from the prior year.

The largest portion of net assets, \$23,700,760 reflects our investment in capital assets (e.g., land, buildings, machinery and equipment), less any related debt used to acquire those assets that is still outstanding. These capital assets are used to provide services to citizens; consequently, these assets are not available for future spending. Although the investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of net assets, \$255,091 represents resources that are subject to external restrictions on how they may be used. The remaining balance represents unrestricted net assets of \$866,244.

Governmental activities. Governmental activities for the year resulted in a change in net assets of \$1,131,910. Key elements of this change are as follows:

	Governmental <u>Activities</u>
General fund operating results, as disclosed in Exhibit D	\$ 339,279
Non-major funds - accrual basis	(2,482,432)
Other GAAP accruals	<u>3,275,063</u>
Total	<u>\$1,131,910</u>

Business-Type Activities. Business-type activities for the year resulted in a change in net assets of \$911,865. Key elements of this change are as follows:

Water Fund	\$554,106
Sewer Fund	328,780
Solid Waste Fund	<u>28,979</u>
Total	<u>\$911,865</u>

D. FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As noted earlier, fund accounting is used to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, governmental funds reported combined ending fund balances of \$5,178,954, a change of \$(2,143,153) in comparison with the prior year. Key elements of this change are as follows:

	Governmental Funds
General fund operating results, as disclosed below	\$ 339,279
Non-major fund operating results	<u>(2,482,432)</u>
Total	<u>\$ (2,143,153)</u>

The general fund is the main operating fund. At the end of the current fiscal year, unassigned fund balance of the general fund was \$3,232,783 while total fund balance was \$4,246,574. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures.

The fund balance of the general fund changed by \$339,279 during the current fiscal year. Key factors in this change are as follows:

	General Fund
Actual revenues in excess of budgeted amounts	\$ 6,165
Actual expenditures less than appropriated amounts	470,602
Property tax collections exceeding (less than) net tax levy	161,216
Use of fund balance as funding source	(110,671)
Excess of current year encumbrances over prior year	(240,246)
Non-budgetary Revenues and Expenses:	
Capital Reserve Funds	43,307
Landfill Trust Fund	<u>8,906</u>
Total	<u>\$339,279</u>

For the purposes of the Governmental Accounting Standards Board statement 54, the activity of the capital reserve funds and the landfill trust fund are included with the General Fund. However, for budgetary purposes, the capital reserve funds and the landfill trust fund are not budgeted items.

Proprietary funds. Proprietary funds provide the same type of information found in the business-type activities reported in the government-wide financial statements, but

in more detail.

Unrestricted net assets of the enterprise funds at the end of the year are \$834,490, a change of \$(672,850) in comparison with the prior year.

Other factors concerning the finances of proprietary funds have already been addressed in the entity-wide discussion of business-type activities.

E. GENERAL FUND BUDGETARY HIGHLIGHTS

The original budget increased by \$169,252. During September 2011, the Somersworth City Council adopted Ordinance 7-12 providing a supplemental appropriation in the amount of \$169,252 to address the increase in employer rates for public safety officials and teachers enrolled in the New Hampshire State Retirement System.

F. CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets.

Total investment in capital assets for governmental and business-type activities at year-end amounted to \$ 59,795,948 (net of accumulated depreciation), a change of \$178,071 from the prior year. This investment in capital assets includes land, buildings and system, improvements, and machinery and equipment.

Long-term debt.

At the end of the current fiscal year, total bonded debt outstanding was \$ 36,859,586, all of which was backed by the full faith and credit of the government.

Additional information on capital assets and long-term debt can be found in the footnotes to the financial statements.

G. ECONOMIC FACTORS

The City of Somersworth instituted a series of rate increases for both the Water and Sewer utilities beginning in July 2007. As noted in the Financial Statements, the Water and Sewer utilities have become self supporting for the year end June 30, 2012. It is the intent of the City Council to review and adjust rates as necessary on an annual basis, based on the approved operating budget.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City of Somersworth's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Office of Finance Director
City of Somersworth
One Government Way
Somersworth, New Hampshire 03878

EXHIBIT A
CITY OF SOMERSWORTH, NEW HAMPSHIRE
Statement of Net Assets
June 30, 2012

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current Assets:			
Cash and cash equivalents	\$ 10,013,437		\$ 10,013,437
Investments	4,254,647		4,254,647
Taxes receivable, net	1,247,939		1,247,939
Accounts receivable, net	146,749	\$ 692,341	839,090
Due from other governments	415,723	122,388	538,111
Internal balances	(308,356)	308,356	-
Deferred debt financing expense		5,394	5,394
Prepaid expenses	19,921		19,921
Inventory		154,462	154,462
Total Current Assets	<u>15,790,060</u>	<u>1,282,941</u>	<u>17,073,001</u>
Noncurrent Assets:			
Due from other governments		1,591,037	1,591,037
Deferred debt financing expense		37,309	37,309
Capital assets:			
Non-depreciable capital assets	2,443,791	500,895	2,944,686
Depreciable capital assets, net	<u>36,012,359</u>	<u>20,838,903</u>	<u>56,851,262</u>
Total Noncurrent Assets	<u>38,456,150</u>	<u>22,968,144</u>	<u>61,424,294</u>
Total Assets	<u>\$ 54,246,210</u>	<u>\$ 24,251,085</u>	<u>\$ 78,497,295</u>
LIABILITIES			
Current Liabilities:			
Accounts payable	\$ 326,872	\$ 69,874	\$ 396,746
Accrued expenses	241,155	86,626	327,781
Retainage payable	50,000		50,000
Deferred revenue	9,167,891		9,167,891
Current portion of deferred bond premium	44,036	21,956	65,992
Current portion of bonds payable	2,363,130	894,691	3,257,821
Current portion of capital leases payable	205,900		205,900
Current portion of compensated absences payable	15,000		15,000
Current portion of estimated liability for landfill postclosure care costs	<u>125,000</u>		<u>125,000</u>
Total Current Liabilities	<u>12,538,984</u>	<u>1,073,147</u>	<u>13,612,131</u>
Noncurrent Liabilities:			
Deferred bond premium	994,429	151,877	1,146,306
Bonds payable	20,903,973	12,697,792	33,601,765
Capital leases payable	290,923		290,923
Compensated absences payable	1,633,338	88,611	1,721,949
Other post-employment benefits payable	1,726,568	75,558	1,802,126
Estimated liability for landfill postclosure care costs	<u>1,500,000</u>		<u>1,500,000</u>
Total Noncurrent Liabilities	<u>27,049,231</u>	<u>13,013,838</u>	<u>40,063,069</u>
Total Liabilities	<u>39,588,215</u>	<u>14,086,985</u>	<u>53,675,200</u>
NET ASSETS			
Invested in capital assets, net of related debt	14,371,150	9,329,610	23,700,760
Restricted	255,091		255,091
Unrestricted	<u>31,754</u>	<u>834,490</u>	<u>866,244</u>
Total Net Assets	<u>14,657,995</u>	<u>10,164,100</u>	<u>24,822,095</u>
Total Liabilities and Net Assets	<u>\$ 54,246,210</u>	<u>\$ 24,251,085</u>	<u>\$ 78,497,295</u>

EXHIBIT B
CITY OF SOMERSWORTH, NEW HAMPSHIRE
Statement of Activities
For the Year Ended June 30, 2012

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Primary Government		Total
				Governmental Activities	Business-type Activities	
Governmental Activities:						
General government	\$ 1,522,147	\$ 143,534		\$ (1,378,613)		\$ (1,378,613)
Public safety	5,400,055	121,952	\$ 12,068	(5,266,035)		(5,266,035)
Highways and streets	2,154,652	6,856	258,774	(1,830,022)		(1,830,022)
Sanitation	7,361			(7,361)		(7,361)
Health and welfare	248,579			(248,579)		(248,579)
Culture and recreation	451,898	67,685	22,260	(361,953)		(361,953)
Economic development	174,576		171,440	(3,136)		(3,136)
Education	25,165,696	1,676,181	9,656,833	(13,832,682)		(13,832,682)
Food service	624,913	275,670	343,858	(5,385)		(5,385)
Debt service	458,923		1,016,545	557,622		557,622
Total governmental activities	36,208,800	2,291,878	11,481,778	(22,376,144)	\$ -	(22,376,144)
Business-type activities:						
Water	1,744,841	2,256,165			511,324	511,324
Sewer	2,116,877	2,365,174	64,033		312,330	312,330
Solid waste	341,395	370,374			28,979	28,979
Total business-type activities	4,203,113	4,991,713	-	-	852,633	852,633
Total primary government	\$ 40,411,913	\$ 7,283,591	\$ 11,481,778	(22,376,144)	852,633	(21,523,511)
General revenues:						
Property and other taxes				21,063,102		21,063,102
Licenses and permits				1,352,623		1,352,623
Grants and contributions:						
Rooms and meals tax distribution				525,591		525,591
Interest and investment earnings				36,368		36,368
Miscellaneous				530,370	59,232	589,602
Total general revenues				23,508,054	59,232	23,567,286
Change in net assets				1,131,910	911,865	2,043,775
Net assets - beginning				13,526,085	9,252,235	22,778,320
Net assets - ending				\$ 14,657,995	\$ 10,164,100	\$ 24,822,095

EXHIBIT C
CITY OF SOMERSWORTH, NEW HAMPSHIRE
 Balance Sheet
 Governmental Funds
 June 30, 2012

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 9,390,193	\$ 623,244	\$ 10,013,437
Investments	4,038,133	216,514	4,254,647
Taxes receivable, net	1,247,939		1,247,939
Accounts receivable	141,906	4,843	146,749
Due from other governments	26,880	388,843	415,723
Due from other funds	397,527	128,958	526,485
Prepaid expenses	19,921		19,921
Total Assets	<u>\$ 15,262,499</u>	<u>\$ 1,362,402</u>	<u>\$ 16,624,901</u>
LIABILITIES			
Accounts payable	\$ 199,562	\$ 59,888	\$ 259,450
Accrued expenses	55,628		55,628
Retainage payable		50,000	50,000
Deferred revenue	10,178,606		10,178,606
Due to other funds	582,129	320,134	902,263
Total Liabilities	<u>11,015,925</u>	<u>430,022</u>	<u>11,445,947</u>
FUND BALANCES			
Nonspendable	19,921	193,749	213,670
Restricted		528,733	528,733
Committed	617,596		617,596
Assigned	376,274	209,898	586,172
Unassigned	3,232,783		3,232,783
Total Fund Balances	<u>4,246,574</u>	<u>932,380</u>	<u>5,178,954</u>
Total Liabilities and Fund Balances	<u>\$ 15,262,499</u>	<u>\$ 1,362,402</u>	

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds 38,456,150

Property taxes are recognized on an accrual basis in the statement of net assets, not the modified accrual basis 1,010,715

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds. Long-term liabilities at year end consist of:

Bonds payable (23,267,103)
 Capital leases payable (496,823)
 Deferred bond premium (1,038,465)
 Accrued interest on long-term obligations (185,527)
 Compensated absences payable (1,648,338)
 Other post-employment benefits payable (1,726,568)
 Estimated liability for landfill postclosure care costs (1,625,000)

Net assets of governmental activities \$ 14,657,995

EXHIBIT D
CITY OF SOMERSWORTH, NEW HAMPSHIRE
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2012

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds	
Revenues:				
Taxes	\$ 21,224,318		\$ 21,224,318	
Licenses and permits	1,352,623		1,352,623	
Intergovernmental	9,982,355		12,007,369	
Charges for services	1,873,564	\$ 2,025,014	2,291,878	
Interest and investment income	19,419	418,314	36,368	
Miscellaneous	453,920	16,949	530,370	
Total Revenues	34,906,199	76,450	37,442,926	\$ (2,143,153)
Expenditures:				
Current operations:				
General government	1,400,959		1,400,959	
Public safety	4,962,160	11,504	4,973,664	
Highways and streets	1,836,673		1,836,673	
Sanitation	132,361		132,361	
Health and welfare	248,579		248,579	
Culture and recreation	384,075		408,827	
Economic development	4,100	24,752	174,576	
Education	22,301,123	170,476	24,017,667	
Food service		1,716,544	624,913	
Capital outlay		624,913	2,801,151	
Debt service:		2,588,463		
Principal retirement	2,417,512		2,417,512	
Interest and fiscal charges	689,455		689,455	
Total Expenditures	34,589,685	5,136,652	39,726,337	
Excess revenues over (under) expenditures	316,514	(2,599,925)	(2,283,411)	
Other financing sources (uses):				
Proceeds from capital lease	140,258		140,258	
Transfers in	9,456	126,949	136,405	
Transfers out	(126,949)	(9,456)	(136,405)	
Total other financing sources (uses)	22,765	117,493	140,258	
Net change in fund balances	339,279	(2,482,432)	(2,143,153)	
Fund balances at beginning of year	3,907,295	3,414,812	7,322,107	
Fund balances at end of year	\$ 4,246,574	\$ 932,380	\$ 5,178,954	
Change in Net Assets of Governmental Activities				\$ 1,131,910

CITY OF SOMERSWORTH, NEW HAMPSHIRE
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2012

Net Change in Fund Balances--Total Governmental Funds	\$ (2,143,153)
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense in the current period.	1,166,454
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(161,216)
Proceeds from capital leases are reported as other financing sources in the funds, but a capital lease increases long-term liabilities in the statement of net assets.	(140,258)
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.	2,417,512
Repayment of principal on capital leases is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.	246,798
Governmental funds report the effect of bond issuance premiums when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.	45,648
In the statement of activities, interest is accrued on outstanding bonds and capital leases, whereas in governmental funds, an interest expenditure is reported when due.	12,365
Some expenses reported in the statement of activities, such as compensated absences, other post-employment benefits, and the estimated liability for landfill postclosure care costs, do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	(312,240)
Change in Net Assets of Governmental Activities	\$ 1,131,910

EXHIBIT E
CITY OF SOMERSWORTH, NEW HAMPSHIRE
Statement of Net Assets
Proprietary Funds
June 30, 2012

	Business-type Activities			
	Water Fund	Sewer Fund	Solid Waste Fund	Totals
ASSETS				
Current Assets:				
Accounts receivable, net	\$ 331,847	\$ 343,153	\$ 17,341	\$ 692,341
Due from other governments		122,388		122,388
Due from other funds	365,154		20,595	385,749
Deferred debt financing expense		5,394		5,394
Inventory	122,574		31,888	154,462
Total Current Assets	<u>819,575</u>	<u>470,935</u>	<u>69,824</u>	<u>1,360,334</u>
Noncurrent Assets:				
Due from other governments		1,591,037		1,591,037
Deferred debt financing expense		37,309		37,309
Capital assets:				
Non-depreciable capital assets	144,510	356,385		500,895
Depreciable capital assets, net	7,006,424	13,832,479		20,838,903
Total Noncurrent Assets	<u>7,150,934</u>	<u>15,817,210</u>	<u>-</u>	<u>22,968,144</u>
Total Assets	<u>\$ 7,970,509</u>	<u>\$ 16,288,145</u>	<u>\$ 69,824</u>	<u>\$ 24,328,478</u>
LIABILITIES				
Current Liabilities:				
Accounts payable	\$ 13,625	\$ 32,112	\$ 24,137	\$ 69,874
Accrued expenses	74,643	11,983		86,626
Due to other funds		77,393		77,393
Current portion of deferred bond premiums		21,956		21,956
Current portion of bonds payable	338,975	555,716		894,691
Total Current Liabilities	<u>427,243</u>	<u>699,160</u>	<u>24,137</u>	<u>1,150,540</u>
Noncurrent Liabilities:				
Deferred bond premiums		151,877		151,877
Bonds payable	5,665,556	7,032,236		12,697,792
Compensated absences payable	64,973	23,638		88,611
Other post-employment benefits payable	49,900	25,658		75,558
Total Noncurrent Liabilities	<u>5,780,429</u>	<u>7,233,409</u>	<u>-</u>	<u>13,013,838</u>
Total Liabilities	<u>6,207,672</u>	<u>7,932,569</u>	<u>24,137</u>	<u>14,164,378</u>
NET ASSETS				
Invested in capital assets, net of related debt	1,146,403	8,183,207		9,329,610
Unrestricted	616,434	172,369	45,687	834,490
Total Net Assets	<u>1,762,837</u>	<u>8,355,576</u>	<u>45,687</u>	<u>10,164,100</u>
Total Liabilities and Net Assets	<u>\$ 7,970,509</u>	<u>\$ 16,288,145</u>	<u>\$ 69,824</u>	<u>\$ 24,328,478</u>

EXHIBIT F
CITY OF SOMERSWORTH, NEW HAMPSHIRE
Statement of Revenues, Expenses and Changes in Net Assets
Proprietary Funds
For the Year Ended June 30, 2012

	Business-type Activities			
	Water Fund	Sewer Fund	Solid Waste Fund	Totals
Operating revenues:				
Charges for services	\$ 2,256,165	\$ 2,365,174	\$ 370,374	\$ 4,991,713
Miscellaneous	42,782	16,450		59,232
Total operating revenues	<u>2,298,947</u>	<u>2,381,624</u>	<u>370,374</u>	<u>5,050,945</u>
Operating expenses:				
Personnel services	537,343	422,242		959,585
Contractual services	34,908	252,986	293,268	581,162
Repairs and maintenance	57,737	84,492		142,229
Administration	64,464	54,039	195	118,698
Materials and supplies	212,160	161,099	47,932	421,191
Utilities	128,903	201,880		330,783
Depreciation	421,199	639,267		1,060,466
Miscellaneous	55,040	55,000		110,040
Total operating expenses	<u>1,511,754</u>	<u>1,871,005</u>	<u>341,395</u>	<u>3,724,154</u>
Operating income	<u>787,193</u>	<u>510,619</u>	<u>28,979</u>	<u>1,326,791</u>
Non-operating (expenses):				
Interest expense	(233,087)	(245,872)		(478,959)
Total non-operating (expenses)	<u>(233,087)</u>	<u>(245,872)</u>	<u>-</u>	<u>(478,959)</u>
Income before capital contributions	554,106	264,747	28,979	847,832
Capital contributions		64,033		64,033
Change in net assets	554,106	328,780	28,979	911,865
Total net assets at beginning of year	<u>1,208,731</u>	<u>8,026,796</u>	<u>16,708</u>	<u>9,252,235</u>
Total net assets at end of year	<u>\$ 1,762,837</u>	<u>\$ 8,355,576</u>	<u>\$ 45,687</u>	<u>\$ 10,164,100</u>

EXHIBIT G
CITY OF SOMERSWORTH, NEW HAMPSHIRE
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2012

	Business-type Activities			
	Water Fund	Sewer Fund	Solid Waste Fund	Totals
Cash flows from operating activities:				
Cash received from customers	\$ 2,500,739	\$ 2,552,366	\$ 366,588	\$ 5,419,693
Cash paid to suppliers	(788,631)	(954,507)	(353,798)	(2,096,936)
Cash paid to employees	(325,626)	(259,983)		(585,609)
Net cash provided by operating activities	<u>1,386,482</u>	<u>1,337,876</u>	<u>12,790</u>	<u>2,737,148</u>
Cash flows from capital financing activities:				
Purchases of capital assets	(60,198)	(11,885)		(72,083)
Capital contributions		186,421		186,421
Proceeds from bonds issued		7,990,342		7,990,342
Payment of bond issuance costs		(44,302)		(44,302)
Principal paid on long-term debt	(332,212)	(8,468,591)		(8,800,803)
Interest paid on long-term debt	(237,735)	(385,112)		(622,847)
Net cash (used) for capital financing activities	<u>(630,145)</u>	<u>(733,127)</u>	<u>-</u>	<u>(1,363,272)</u>
Net increase in cash and cash equivalents	756,337	604,749	12,790	1,373,876
Cash and cash equivalents (deficiency) at beginning of year	(391,183)	(682,142)	7,805	(1,065,520)
Cash and cash equivalents (deficiency) at end of year	<u>\$ 365,154</u>	<u>\$ (77,393)</u>	<u>\$ 20,595</u>	<u>\$ 308,356</u>
Reconciliation of operating income to net cash provided by operating activities:				
Operating income	\$ 787,193	\$ 510,619	\$ 28,979	\$ 1,326,791
Adjustments to reconcile operating income to net cash provided used by operating activities:				
Depreciation expense	421,199	639,267		1,060,466
Changes in assets and liabilities:				
Accounts receivable, net	201,792	170,742	(3,786)	368,748
Inventory	(14,450)		(11,351)	(25,801)
Accounts payable	(29,688)	3,604	(1,052)	(27,136)
Accrued expenses	3,107	2,531		5,638
Compensated absences payable	1,217	4,153		5,370
Other post-employment benefits payable	16,112	6,960		23,072
Net cash provided by operating activities	<u>\$ 1,386,482</u>	<u>\$ 1,337,876</u>	<u>\$ 12,790</u>	<u>\$ 2,737,148</u>
Supplemental disclosure of non-cash transactions:				
Amortization on deferred bond premiums		\$ 6,509		\$ 6,509
Amortization on deferred debt financing expense		(1,599)		(1,599)
	<u>\$ -</u>	<u>\$ 4,910</u>	<u>\$ -</u>	<u>\$ 4,910</u>

EXHIBIT H
CITY OF SOMERSWORTH, NEW HAMPSHIRE
Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2012

	Private- Purpose Trust Funds	Agency Funds
ASSETS		
Cash and cash equivalents		\$ 255,204
Investments	\$ 202,147	
Due from other funds		67,422
Total assets	<u>\$ 202,147</u>	<u>\$ 322,626</u>
LIABILITIES		
Accounts payable		\$ 815
Due to student groups		86,596
Deposits		235,215
Total liabilities	<u>\$ -</u>	<u>\$ 322,626</u>
NET ASSETS		
Held in trust	<u>202,147</u>	
Total net assets	<u>\$ 202,147</u>	

EXHIBIT I
CITY OF SOMERSWORTH, NEW HAMPSHIRE
Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
For the Year Ended June 30, 2012

	Private- Purpose <u>Trust Funds</u>
ADDITIONS:	
Investment earnings:	
Interest	\$ 5,302
Realized gains on investments	1,415
Net increase in the fair value of investments	<u>4,593</u>
Total Investment Earnings	<u>11,310</u>
Total Additions	<u>11,310</u>
DEDUCTIONS:	
Benefits	<u>11,900</u>
Total Deductions	<u>11,900</u>
Change in net assets	(590)
Net assets - beginning of year	<u>202,737</u>
Net assets - end of year	<u><u>\$ 202,147</u></u>

BARRINGTON
BROOKFIELD
DOVER
DURHAM
FARMINGTON
LEE
MADBURY
MIDDLETON
MILTON



NEW DURHAM
NEWMARKET
NORTHWOOD
NOTTINGHAM
ROCHESTER
ROLLINSFORD
SOMERSWORTH
STRAFFORD
WAKEFIELD

Strafford Regional Planning Commission 2012 Report

Strafford Regional Planning Commission (SRPC), a political subdivision of the State of New Hampshire, serves in an advisory role to the City of Somersworth and seventeen other communities. We provide planning services to assist officials, boards and citizens in managing growth and development and to foster regional collaborative efforts.

SRPC's professional staff offers a range of planning services in transportation, land use, economic development, hazard mitigation, natural resources and geographic information systems (GIS) mapping and analysis. These services are available in customized modes to meet the diverse needs of communities. Access is also provided to SRPC educational resources including our website, library, workshops and forums, and customized training.

2012 Accomplishments:

- Met with City officials to solicit transportation projects for the NH Transportation Ten Year Plan and the Strafford Transportation Long-Range Plan
- Conducted culvert inventories throughout the City to create an access database and location maps for the City's Planning and Public Works Departments
- Collaborated with Somersworth officials and businesses to create the 2011-2015 Strafford Regional Comprehensive Economic Development Strategy including a Somersworth priority projects list
- Conducted fourteen NH DOT requested traffic counts and two City requested traffic counts
- Provided updates to the City's zoning map
- Provide Safe Routes to School grant assistance
- Distributed *New Hampshire Planning and Land Use Regulation* books to local land use boards
- Provided assistance to City boards and citizens on land use and transportation questions

SRPC provided the following services to all municipalities in 2012:

- Completed the first update to the Strafford Regional Comprehensive Economic Development Strategy
- Adopted updates to the Regional Intelligent Transportation Systems Architecture and Strategic Plan
- Adopted updates to the 2013-2040 Strafford Metropolitan Transportation Plan
- Adopted updates to the 2013-2016 Strafford Metropolitan Improvement Program
- Adopted updates to the Air Quality conformity and Determination Analysis
- Completed updates to eight municipal multi-hazard mitigation plans
- Coordinated and hosted a successful Local Water Supply workshop focused on drinking water issues
- Received support from the Federal Highways Administration and NHDOT to proceed with a culvert assessment inventory for the region; three municipalities completed in 2012

- Worked with two other regional planning commissions to create a Park and Ride Toolkit for the region
- Published maps and database for 2012 Annual Listing of Obligated Projects receiving federal funds
- Collaborated with Alliance for Community Transportation (ACT) to provide coordinated transportation for human service agencies in southeastern NH
- Published an email newsletter and alerts to keep communities informed of meeting schedules, events, local news and other beneficial information
- Downloaded and displayed the latest demographic and economic data to SRPC web page as tools for municipalities to utilize in planning efforts
- Prepared Regional Impact Analysis for Town of Durham and City of Rochester

Goals for 2013:

- Continue process for the update of our Regional Master Plan – Local Solutions for Strafford Region
- Carryout transportation project solicitation for the NH Ten Year Plan process
- Continue process for updates to the Metropolitan Transportation Plan and amendments to the 2013-2016 Strafford Transportation Improvement Program
- Implement Year Two of the 2011-2015 Strafford Regional Comprehensive Economic Development and apply for Economic Development District status
- Work with municipalities and businesses to attract new public and private investments to the Strafford region
- Assist UNH Wildcat and COAST transit providers in development of transit routes and services
- Continue to provide education and outreach on fluvial erosion, climate change adaptation, multi-hazard mitigation strategies, low impact development
- Continue Broadband planning and mapping activities
- Complete last five multi-hazard mitigation plan updates for the region
- Continue local transportation planning tasks in support of Safe Routes to School, safety, access management, park and rides, sidewalks, bike ways, scenic byways and corridor studies

We look forward to working with the citizens and officials of Somersworth in 2013. Thank you for the opportunity to serve you and for your continuing support of regional planning. Further questions or comments can be referred to Cynthia Copeland, AICP, Executive Director at cjc@strafford.org. We can also be found on Twitter and Facebook! Please visit our website at www.strafford.org.

If you would like to receive E Bulletins from SRPC, please go to our home page of our website noted above.

City of Somersworth



Service Directory

Adopt-A-Spot Program.....	692-4266
Auto Registration.....	692-9555
Betterment Assessments.....	692-9555
Birth/Marriage/Death Certificates.....	692-9511 or 692-9512
Blocked Storm Drains.....	692-4266
Building Permits and Inspections.....	692-9522
Compost Facility.....	692-4266
Council Agenda Information.....	692-9511 or 692-9512
Dog Licenses.....	692-9511 or 692-9512
Elections/Voter Registration.....	692-9511 or 692-9512
Emergency Welfare Assistance.....	692-9509
Historical Reference Questions.....	692-4587
Library Information.....	692-4587
Marriage Licenses.....	692-9511 or 692-9512
Museum Pass Reservations.....	692-4587
Pay Per Bags/Bulky Waste Stickers.....	692-9511 or 692-9512
Police.....	692-3131
Road Repairs.....	692-4266
Property Maintenance Inspections.....	692-9521
Property Taxes.....	692-9555
Recycling Info.....	692-4266
Service Agency Referrals.....	692-9509
Sewer Backups.....	692-4266
Snow Ban Info.....	692-9131
Street Light Problems.....	692-4266
Traffic Light Problems.....	692-4266
Trash Info.....	692-4266
Water Main Breaks.....	692-9523
Water/Sewer Bills.....	692-9523
Water/Sewer Payments.....	692-9555